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Virtual Societies in the Real World: Return to the Roots or a New E-Business Model? An Attempt to Interpret on the Basis of E-Commerce Services

STRESZCZENIE:

WIRTUALNE SPOŁECZNOŚCI E-COMMERCE WYKAZUJĄ PODOBNE CECHY I KIERUJĄ SIĘ ZBLIŻONYMI ZASADAMI, JAKIE OBOWIĄZUJĄ W INNYCH SPOŁECZNOŚCIACH WIRTUALNYCH. ZRZESZAJĄ AKTYWNYCH, JAK RÓWNIEŻ BIERNYCH UŻYTKOWNIKÓW: KUPUJĄCYCH I SPRZEDAJĄCYCH W SERWISACH HANDLOWYCH, KTÓRZY POZA DOKONYWANIEM TRANSAKЦИИ HANDLOWYCH PODEJMUJĄ TAKŻE INNE DZIAŁANIA O CHARAKTERZE SPOŁECZNOŚCIOWYM. CECHĄ CHARAKTERYSTYCZNĄ WIRTUALNYCH SPOŁECZNOŚCI E-COMMERCE, GŁÓWNIIE SPOŁECZNOŚCI ZGROMADZONYCH WOKÓŁ SERWISÓW AUKCYJNYCH, JEST PRZENOSZENIE WIRTUALNYCH KONTAKTÓW I ZNAJOMOŚCI DO ŚWIATA RZECZYWISTEGO, ORGANIZUJĄC REALNE SPOTKANIA I ZŁOTY UŻYTKOWNIKÓW, SYMPATYKÓW, FANÓW I WSZYSTKICH ZAINTERESOWANYCH UCZESTNICTWEM W SERWISACH AUKCYJNYCH. PRZYKŁADAMI WIRTUALNYCH SPOŁECZNOŚCI E-COMMERCE SIĘGAJĄCYMI DO ŚWIATA REALNEGO SĄ MIĘDZY INNYMI SERWISY ALLEGRO.PL I

ABSTRACT:

VIRTUAL E-COMMERCE SOCIETIES CURRENTLY SHOW CHARACTERISTICS AND FOLLOW SIMILAR RULES AS DIFFERENT VIRTUAL SOCIETIES DO. THEY UNITE ACTIVE AND PASSIVE USERS: BUYERS AND SELLERS IN TRADE SERVICES WHO BESIDE CARRYING OUT TRANSACTIONS DO OTHER THINGS THAT ARE CONNECTED WITH SOCIAL ACTIVITY. THE MOST CHARACTERISTIC FEATURE OF THE VIRTUAL E-COMMERCE SOCIETIES, MAINLY THE ONES INVOLVED IN AUCTION SERVICES IS TRANSFERRING VIRTUAL CONTACTS AND RELATIONSHIPS TO REAL WORLD, ORGANIZING REAL MEETINGS AND RALLIES OF USERS, SYMPATHIZERS, FANS AND ALL INTERESTED IN BEING A PART OF AUCTION SERVICES. THE EXAMPLES OF VIRTUAL E-COMMERCE SOCIETIES THAT GET TRANSFERRED TO THE REAL WORLD ARE ALLEGRO.PL AND EBAY.COM, WHICH SINCE THE BEGINNING OF THEIR EXISTENCE (SECOND HALF OF THE 1990s) INTRODUCED BUSINESS MODELS BASED ON

eBAY.COM, KTÓRE OD POCZĄTKÓW SWEGO ISTNIENIA, TJ. DRUGIEJ POŁOWY LAT DZIEWIĘDZIESIĄTYCH XX WIEKU, WPROWADZIŁY MODELE BIZNESU OPARTE NA UZUPEŁNIANIU TRADYCYJNEJ DZIAŁALNOŚCI ON-LINE POZAINTERNETOWYMI FORMAMI SPOTKAŃ OFF-LINE.

SŁOWA KLUCZOWE:

SPOŁECZNOŚCI WIRTUALNE, HANDLOWE SPOŁECZNOŚCI WIRTUALNE, AUKCJI ON-LINE, ALLEGRO.PL, EBAY.COM

REPLENISHMENT OF TRADITIONAL ON-LINE ACTIVITY WITH OFF-LINE MEETINGS AND EVENTS.

KEYWORDS:

VIRTUAL COMMUNITIES, E-COMMERCE VIRTUAL COMMUNITIES, AUCTION ON-LINE, ALLEGRO.PL, EBAY.COM.

Virtual societies, also known as Internet societies or on-line societies, are currently one of the main Internet business models (e-business models) and a rapidly developing branch of the Internet. The subject matter concerning societies becomes very popular mainly because of willingness of Internet users to be a part of Internet societies, where they can find and share common passions, fantasies and even responsibilities.

Therefore, on the basis of internauts' personal or professional interests, exchange of views and opinions on different subjects or drawing from the experiences and knowledge of other users, belonging to societies of different services, e.g. the social ones (Nasza-Klasa.pl, Facebook.com, Fotka.pl, YouTube.com) or the e-commerce ones (eBay.com, Allegro.pl, Swistak.pl, Amazon.com), etc. becomes most popular.

The goal of the paper is an attempt to answer the question, whether the modern on-line societies are the societies that are a reflection of the past, traditional relationships, created before the occurrence of the Internet, or a new model of an e-business which connects on-line and off-line relationships. The examples of services picturing analyzed types of connections and constituting this new e-business model are Facebook.com, eBay.com and Allegro.pl.

The issues presented in this paper are more of theoretical rather than empirical nature. It is mainly due to the fact that the empirical analysis would have required concentrating on plenty of issues involving media economics and culture economics. This could consequently distort the picture of virtual societies concerning different on-line services, especially on-line auction services, which was actually meant to be presented. The extensive analysis of the issue, including theoretical, methodological and empirical base can make a starting point for another thesis.

Virtual Societies as Examples of E-Business Models

According to Dasgupta virtual communities were initially recognized as a "social phenomena". This is evident from the definition of virtual community as "a social aggregation" that emerges from the Net when enough people carry on public discussions long enough, with sufficient human feeling to form networks of personal relationships in the

cyberspace. The idea of a virtual community which proved to be a profitable business model was subsequently raised by Hagel and Armstrong,¹ who claimed that the benefits of a virtual community would arise from two aspects: from the unique capabilities of the digital medium where the virtual community is located and from virtual community model itself.²

One of the first authors analyzing the subject of e-business models, including virtual societies, was also Timmers,³ who understood an on-line society as the phenomenon of loyalty among internauts in the virtual reality, seeing their members as an attractive target group for numerous enterprises. In a similar way the virtual reality as one of the e-business models is defined by: Rappa,⁴ Weill and Vitale⁵ and Afuah and Tucci.⁶ The definitions of virtual society for social networking services and e-commerce are presented in Chart 1.

Chart 1: The model of virtual society in the view of selected authors' definitions

Author of a definition	Established name	Definition
A. N. Afuah, Ch. L. Tucci	Virtual community model	The loyalty of internauts towards virtual reality; members of such society are an attractive target group for numerous enterprises.
M. Rappa	Social community model	Affiliated partners in the Internet who place websites for the seller are offered material benefits.
P. Weill, M. Vitale	Virtual community	Establishing communication between members of virtual society and suppliers; members of the society can communicate with one another directly.

Source: T. Gołębiowski, T.M. Dudzik, M. Lewandowska, M. Witek-Hajduk, *Modele biznesu polskich przedsiębiorstw*, Warszawa 2008, s. 33-38.

A different point of view is presented by Nojszewski,⁷ for whom virtual society is rather an Internet phenomenon used by some companies in their activities than an actual business model. According to the author it is a group of people focused around a given subject or market sector that communicates through the services available on the Internet and constituting a sort of thematic portal. This group creates added value by allowing adding and exchanging information by its members and on the group's forum. It can be also used for public relations activities, such as: creating

¹ J. Hagel III, A. G. Armstrong, *Net Gain: Expanding Markets Through Virtual Communities*, Boston 1997.

² S. Dasgupta, *Encyclopedia of virtual Communities and Technologies*, Hershey, PA 2006, p. 527.

³ P. Timmers, *Business Models for Electronic Commerce*, "Electronic Markets" 1998, no. 2, p. 3-8.

⁴ M. Rappa, *Managing the Digital Enterprise: Business Models on the Web*, <http://www.digitalenterprise.org/models> (access April 11, 2014).

⁵ P. Weill, M. Vitale, *Place to Space: Migrating to E-Business Models*, Boston, MA 2001.

⁶ A. Afuah, Ch.L. Tucci, *Biznes internetowy. Strategie i modele*, Kraków 2003, p. 89.

⁷ D. Nojszewski, *Przegląd modeli e - biznesowych cz. II*, „e-Mentor” 2007 no. 2, p. 64-65.

users' profiles, building customer loyalty and winning new clients. Virtual societies are created spontaneously or can be created by organizations interested in this form of promoting a company.

In fact, virtual society as an e-business model is a contribution of people who needed to communicate inside the Web to exchange views and advice for their own development and self-realization. It can be understood as a spontaneously created group of internauts sharing some values. Nevertheless we can consider virtual society only when their members are active and communicate with a company or other users and then come back to the service. Societies are built not only around mutual interests, but also around commonly known products, like Nokia or Coca-Cola, invitations to parties, widgets that can be downloaded from the Internet and attractive loyalty program.⁸

Contribution of e-commerce services in creating virtual societies of users

According to Drapkin, Lowy and Morowitz a “real” community in the “real” world has a natural counterpart in the on-line world. It is a group of people who share something in common and communicate and work together in a rewarding way. From a commercial point of view, to be the host of a dedicated community of users is the holy grail of e-commerce. In the Web world, “community” was the big buzzword of 1995. The first on-line communities were newsgroups and bulletin boards where techies with common interests could get together on a professional or personal level to share their ideas, their lives, and files such as images, documents and programs. As e-commerce has come into its own, communities have taken on another dimension.⁹

One of the most spectacular and most popular virtual e-commerce societies is the society of eBay.com service, the world biggest trading-auction portal, constituting of over 250 million users, also called eBayers.¹⁰ This vast eBay society is formed by about thirty smaller virtual societies located in different countries over the world¹¹, including Poland. In the eBayers society one can find: collectors, hobbyists, unique items seekers, bargain hunters, smaller and bigger suppliers, big sellers¹² and other people interested in shopping and using the service.

⁸ A. Gruszka, *Wirtualne społeczności*, <http://www.wirtualnemedi.pl/artykul/wirtualne-spolecznosci#>, (access April 11, 2014).

⁹ M. Drapkin, J. Lowy, D. Marowitz, *Three Clicks Away: Advice from the Trenches of a eCommerce*, New York 2001, p. 216.

¹⁰ S. Weiss, *Streetwise Selling on Ebay: How to Start, Manage, and Maximize a Successful eBay Business*, Avon, MA 2006, p. 39.

¹¹ Argentina, Australia, Austria, Belgium, Brazil, China, Czech Republic, Denmark, Philippines, France, Greece, Spain, Netherlands, Hongkong, India, Ireland, Canada, Korea, Malaysia, Mexico, Germany, Norway, New Zealand, Russia, Singapore, United States, Switzerland, Sweden, Thailand, Taiwan, Turkey, Great Britain, Vietnam and Italy.

¹² L.F. Kaiser, M. Kaiser, P. Omidyar, *The official eBay guide to buying, selling, collecting just about anything*, New York 1999, p. 6.

eBay.com, for instance, apart from being the biggest consumer auction site, can be viewed as a very successful community of merchants and consumers who work together, earn a livelihood together, and get to know one another beyond their virtual workplace. What makes eBay.com successful is the commitment of its community who essentially pay a “tax” to “live” there.¹³

eBay.com society is guided by five values within following expressions:¹⁴

“We believe people are basically good”,

“We believe everyone has something to contribute”,

“We believe that an honest, open environment can bring out the best in people”,

“We recognize and respect everyone as a unique individual”,

“We encourage you to treat others the way that you want to be treated”.

According to Colmer and Thomas¹⁵ the society of eBay is a form of virtual “club”, constituted of users of auction service, who share their stories, take on discussion as well as gain and help others gain knowledge on the auction platform. The eBay society plays also three important roles:

- a “substitute home” for clients who, by buying and selling products, establish contact and therefore do not feel alone. This function applies mostly to businessmen who work in their houses, garages or attics and this sort of interaction allows them to go to a place where they can communicate with similar people and avoid feeling isolated;
- “self-police institution”, which may report law violations, embezzlements and things that are carried out within the service in an inappropriate way;
- places, where new ideas and suggestions may be presented to eBay Inc. board or other members of society in order to enrich experience of auction service.¹⁶

The activity of the eBay member virtual society is expressed in a textual way, mainly in the form of e-mails and messages generated through forms prepared for that purpose by a team which coordinates eBay operations. A similar role is played by other social tools, used to make the eBayers society more active and dynamic. Here we can list: blogs, discussion groups, chat, membership in other services that support building societies: Skype, Meetup.com,¹⁷ or StumbleUpon.com.¹⁸

The eBay virtual society is a proof that big and strong societies, built on foundations of social trends may not only be a domain of services of a non-trading profile. They

¹³ M. Drapkin, J. Lowy, D., op. cit., p. 216.

¹⁴ R. S. Colmer, T. M. Thomas, *The senior's guide to eBay. Browsing, Buying and Selling*, Chelsea, Mich. 2005, p. 60.

¹⁵ Ibidem, p. 59.

¹⁶ *Steps to Starting a Successful Ebay Business in Canada: Your Path to Financial Independence*, Toronto 2008, p. 112-113.

¹⁷ Meetup.com is a service designed to help people find other users who share their interests.

¹⁸ StumbleUpon is an Internet search engine that functions basing on personalized system of advisable content. It allows internauts searching and grading websites, pictures and videos, which are adjusted according to user's preferences on the basis of previous activity.

have different goals than virtual societies of Facebook.com and Nasza-Klasa.pl, but the mechanisms of creating, developing and evaluating are carried out in a similar way.

Virtual e-commerce societies and their contribution to extending the frames of the Internet

The subject of connections of virtual societies to organic societies organized in the real world and space is addressed in Dijk's¹⁹ writings who tries to answer the question whether virtual societies are a response to the process of withering bonds and whether they can result in a renaissance of lost societies in the real world. He finds common characteristics in both forms of societies. Both have: members, social organization, language and patterns of interaction, culture and common identity.²⁰

E-commerce societies, mainly societies of auction services like eBay.com and Allegro.pl are perfect examples of societies functioning in the Internet and spreading outside the network. This infiltration of virtual and real communication between members of auction societies of Allegro.pl and eBay.com is carried out in cyclic Allegro Parties and eBay Live meetings. Thousands of people who appear at the meetings every year know each other by nicknames, forum entries and items they put on the auctions. These meetings are great occasions to bolster the virtual relationships and their atmosphere encourages participants to network with new people and deepen the relations.²¹

For example, since 2001 annual and occasional rallies and meetings of members of eBay Live have been attended by the company's business partners and its members from across the world.²² The main theme of the meetings is education on trade and e-commerce for people who actively buy and sell. eBay Live is three days of courses and studios with stand presentations, expert discussions, events and discussion panels with eBay.com board.²³

Transferring virtual e-commerce societies to the real world makes an opportunity to build a network of loyal users, allows for development of awareness and on auction and Internet market. Different form face-to-monitor²⁴ interactions, face-to-face meetings of Allegro.pl and eBay.com users are the basis of creating and increasing users' loyalty

¹⁹ J. van Dijk, *The Network Society: Social Aspects of New Media*, Sage Publications, Thousand Oaks, CA 2006.

²⁰ K. Doktorowicz, *Spoleczności wirtualne - cyberprzestrzeń w poszukiwaniu utraconych więzi*, w: L. Haber (ed.), *Spoleczeństwo informacyjne. wizja czy rzeczywistość?*, Kraków 2004, p. 63.

²¹ P. Perka, *Jedenaście razy Allegro.pl*, <http://magazynt3.pl/Jedenascie-razy-Allegro/>, (access April 11, 2014).

²² *Start Your Own Successful Home-Based Business Using Ebay: Everything You Need to Know to Get Started*, Toronto 2007, p. 224.

²³ J. Griffith, *The official eBay bible: the most up-to-date comprehensive how-to manual for Everyone from First - Time Users to People Who Want to Run Their Own Business*, New York 2003, p. 183; J. Kaufeld, T. Harvey, *Developing eBay business tools for dummies*, Hoboken, N.J. 2005, p. 34.

²⁴ *Face-to-monitor* - carried out by outside techniques of transfer: paper, lines and impulses. The interaction is extended in space and time and expands the context of standard direct interaction. Source: A. Gidens, *Socjologia*, Warszawa 2004, p. 488; P. Zawojski, *Monitory między nami. O byciu razem i osobno w cyberprzestrzeni*, w: A. Gwóźdź, P. Zawojski (red.), *Wiek ekranów*, Kraków 2002, p. 423.

and deepening the feeling of community inside which they operate. Interestingly, over only a few years those meetings have become huge media events attracting the attention of hundreds of fans of Internet auctioning inside and outside the country. During the meetings users can participate in lectures, discussions and panels devoted to the problems of e-commerce and its issues, sales techniques, security of transactions on auction platform etc; to meet people who create Internet space; to talk to employees of joint-stock companies and partnership companies' representatives; share their opinions on the service, meet interesting people, etc.²⁵

Conclusion

eBay.com and Allegro.pl are currently the examples of two important e-commerce players that combine characteristics of traditional models with the e-business models. They break traditional model of virtual society being a society in which members know each other only from entries, on-line comments, graphic signs and other forms of communication. E-commerce societies extend the boundaries of the Internet, for which the on-line space has become a place to carry out trade transactions and traditional space a place in which on-line contacts are transferred to. It is also a place to establish non trade related relationships which contain: friendship, loyalty, devotion, common interests or hobbies as well as willingness to spend time within nice and exclusive fellowship.

Current wave of virtual e-commerce societies' development is a way to go back to the roots. In Internet trading real meetings of e-commerce societies, mainly auction societies have been known already in the late 1990s, but they become important only recently, in the period of high user activity in social networking trend. Trading virtual societies in real world is also a new model of e-business which gained recently more recognition in literature, being an answer to increasing requirements and needs of users of virtual societies which are created in thee-commerce services. ■

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²⁵ To już jedenaste spotkanie Allegrowiczów, http://www.allegro.pl/country_pages/1/0/sa2008/index.php?sa_page=6, (access November 11, 2013).

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